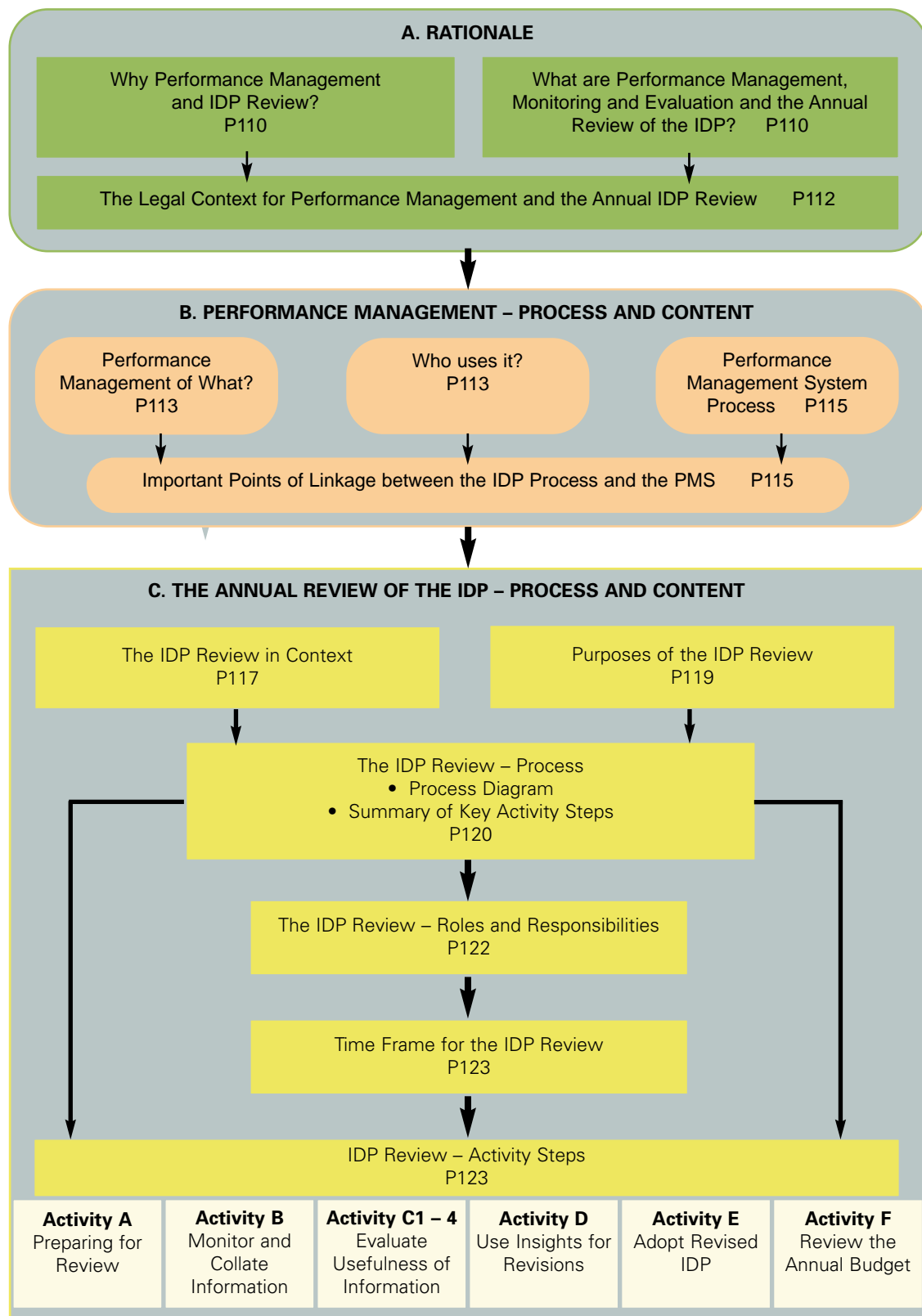


SECTION 5 – “PERFORMANCE MANAGEMENT AND THE ANNUAL REVIEW OF IDP” CHECKING IT ALL HAPPENS AND ACHIEVING THE MUNICIPALITY’S OBJECTIVES

ROUTE MAP FOR THIS SECTION



A. RATIONALE

1. WHY PERFORMANCE MANAGEMENT AND IDP REVIEW?

The purpose of the IDP Plan is to ensure that the resources available to the Municipality are directed at the delivery of projects and programmes that meet agreed development priorities.

Once your Municipality starts to implement the IDP plan it is important to check that:

- the delivery is happening in the planned manner;
- the Municipality is using its resources most efficiently;
- it is producing the quality of delivery envisaged; and
- the delivery is having the planned effect on the lives of the people in the Municipality.

To achieve this it is necessary to monitor and evaluate, measure and review the performance of Municipalities against indicators and targets set in their IDP's. Performance management will assist Municipalities:

- to make immediate, appropriate changes in delivery and management of resources;
- identify and overcome major or systemic blockages; and
- guide future planning on developmental objectives and resource use,

Achieving this requires pro-active development of a **performance management system** and undertaking **an annual review of the IDP**.

But first we will clarify what is meant by Monitoring and Evaluation; Performance Management; the Annual IDP Review and a number of related concepts.

2. WHAT IS PERFORMANCE MANAGEMENT, MONITORING AND EVALUATION AND THE ANNUAL IDP REVIEW?

Sometimes the different names given to various approaches to monitoring and evaluation in organisations cause much heated debate and often great confusion.

It is not intended to heighten the confusion or engage in the debate but rather to define the way in which these concepts are dealt with within the IDP methodology and more broadly within the Municipal environment in South Africa.

Monitoring and Evaluation	<p>The system for monitoring the implementation programme with the specific intention of evaluating the delivery is to ensure that the planned delivery happens and that the Municipality can make relevant adjustments to its planning and resource use in implementation.</p> <p>Monitoring and evaluation are also used as 2 separate but interrelated concepts in performance management and it is useful to understand their meaning in such usage:</p> <p>Monitoring <i>(Collecting the relevant information)</i></p> <p>The gathering of the information used to track the progress of delivery against the key objectives, indicators and targets of the implementation plan.</p> <p>Evaluation <i>(Making sense of what is happening)</i></p> <p>Analysing and evaluating the meaning of the information and applying the understanding to improve delivery and its impact on the people in the Municipality.</p>
Performance Management	<p>The Performance Management is a process whereby Municipalities continuously seek to improve their functioning and accountability. It is also a management approach that provides strategic direction for managers and politicians to manage performance within organisations.</p>
Employee Performance Management	<p>Refers to the management of the performance of individuals in the organisation in terms of their individual performance contracts/key result documents and the contribution they are expected to make towards the collective achievement of organisational objectives.</p> <p>The employee performance management system is an important element of the performance management system.</p>
Annual IDP Review	<p>A specific process legally required of Municipalities is to review the achievements of the implementation of the IDP and to make any necessary changes to the IDP plan and feed into the budget for the following financial year.</p>
Implementation/Project Management	<p>This is the management approach of the Municipality's internal resources and external linkages to ensure that the appropriate delivery happens in the most efficient way. In managing the daily implementation it provides crucial management information for organisational performance management. In turn it is given improved form from the feedback from the organisational management process of the Municipality.</p>
Information Management Systems	<p>The organisation information from various sources that is used in immediate management and in longer term assessment planning and changes to the management of implementation.</p>

Based on the above understanding, this section of Guide 6 concentrates on two key areas:

- A summary description of **"Performance Management"** as a tool to monitor and evaluate the delivery of the IDP plan.
- The approach to carrying out the **Annual Review of the IDP**.

While separating these for the purposes of description it is important to remember that they feed each other and overlap at different points.

To understand the relationship between IDP review and performance management, consider the following quotation from the **Performance Management Guide for Municipalities, DPLG, 2001** (draft 2, p16):

"The Integrated Development Planning Process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process."

INFORMATION BOX

“Performance Management – A guide for Municipalities”

This is a comprehensive guide prepared by the Department of Provincial and Local Government (DPLG) to guide Municipalities in South Africa in the setting up and running Performance Management. It is linked closely to a training programme for relevant Municipal officers.

It is essential to read this section in conjunction with the above Guide.

If you do not have it you can contact the offices of the national Department of Provincial and Local Government.

3. THE LEGAL CONTEXT FOR PERFORMANCE MANAGEMENT AND IDP ANNUAL REVIEW

The purpose of this sub-section is to provide insight into key legislation concerning the Performance Management System and the Annual Review of the IDP.

In addition to the requirement for every Municipality to compile an Integrated Development Plan (IDP) the **Municipal Systems Act, 32 of 2000** (MSA) also requires that the IDP is implemented, and that the Municipality monitors and evaluates its performance.

Section 34 of the MSA deals with the review and amendment of the IDP:

“Annual review and amendment of Integrated Development Plan.

A Municipal council:

- (a) must review its integrated development plan*
- (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and*
- (ii) to the extent that changing circumstances so demand; and*
- (b) may amend its integrated development plan in accordance with a prescribed process.”*

Every Municipality is also required to develop and implement a **performance management system** in terms of Chapter 6 of the **MSA**. This performance management system must contain certain core components (section 41 of the MSA):

- Key performance indicators “as a yardstick for measuring performance, including outcomes and impact, with regard to the Municipality’s development priorities and objectives set out in its Integrated Development Plan”.
- Measurable performance targets for each of the development priorities and objectives.

The **Local Government: Municipal Planning and Performance Management Regulations, 2001**

describes the role of the performance management system in monitoring, evaluation and review:

“7. (1) A Municipality’s performance management system entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed”

(For more detail on Performance Management system consult the **Performance Management – A guide for Municipalities, DPLG, 2001**).

The review and amendment process must also adhere to the requirements for public participation as set out in Chapter 4 of the MSA. This will involve establishing processes and structures for public participation, as was required for the process of drafting the IDP.

The MSA (section 37 (d) and (e)) permits the Minister to make regulations and guidelines on certain matters regarding the review and amendment of the IDP.

The **Municipal Financial Management Bill of 2001** likely to become law in 2002 stresses the strong linkage between the review of the IDP and the annual Municipal budgeting process.

“The Municipality must after publication of its draft Budget ensure that the public hearings on the budget also inform the process to review its IDP, and strive for consistency between annual budget to be tabled and the revised IDP” (Municipal Financial Management Bill – 2000 Chapter 4. 18 (5)).

As is the case when formulating the IDP, sector requirements have to be considered in monitoring, evaluation and review to ensure sector alignment. These requirements may be in the form of process, time frames, reporting procedures and formats, as well as review of existing plans/programmes and adoption of new plans/programmes.

As a general rule, when the IDP is reviewed, it means that all the integrated plans and programmes forming part of the IDP are reviewed as well.

INFORMATION BOX

Some Plans/Programmes that Form Part of the IDP

- The Spatial Development Framework is adopted as part of the IDP (section 18 of the **Land Use Bill, March 2001**; and the MSA). No provision is made in the Bill or the MSA for a separate review process; the Spatial Development Framework should thus be reviewed as an integral part of the IDP.
- According to the **Water Services Act 108 of 1997** every Municipality has a responsibility to prepare a Water Services Development Plan within one year from the commencement of the Act. Where not prepared before, it should be done as part of the preparation of the IDP. Like the IDP it needs regular review that would also impact upon the content of the reviewed IDP.

For certain sectors, monitoring, evaluation and review may have to occur at prescribed intervals that are more or less frequent than the annual IDP review.

INFORMATION BOX

Financial Monitoring and Review for Municipalities

Certain standards for monitoring financial matters, reporting formats, time frames and provisions for amending the Municipal budget throughout the financial year of the Municipality, is stipulated in the **Municipal Finance Management Bill (1 of 2000)**. Once this becomes law properly inform yourself about this (see Section 2 of this Guide).

In the review process, sector requirements regarding adherence to principles (e.g. **National Environmental Management Act**, 107 of 1998, and the **Development Facilitation Act**, of 1995) have to be taken into consideration. Performance/Implementation should be evaluated in terms of such principles and inform the review process.

These are some of the key aspects of relevant legislation and regulations. You should keep track of any additional legislation, or regulations and other requirements that spheres of government might institute in the future that require incorporation in the monitoring and evaluation and review process of our Municipality's IDP.

B. PERFORMANCE MANAGEMENT SYSTEM – PROCESS AND CONTENT

1. PERFORMANCE MANAGEMENT OF WHAT?

Having determined what to deliver, when to deliver it and what resources to use and then built this into the Municipality's implementation programme, it is necessary to monitor and evaluate/measure and review the actual delivery. Performance Management assists in ensuring that implementation:

- makes most efficient use of resources
- is done on time
- is done to the planned quality
- has desired effect on target population.

2. WHO USES IT?

A range of different stakeholders uses the Performance Management System for different reasons. Understanding these is important as it affects the type of information required and the form that it is prepared.

The table on the next page outlines some of the key usages.

WHO?	HOW?
Council	<ul style="list-style-type: none"> • Assess whether it is meeting its developmental objectives and whether these are having an impact on the lives of the people in the Municipality. • Help define ways of improving its resource usage and impact on the developmental needs of the people in the Municipality. • Assist in evaluating progress made by the Municipality against key performance indicators.
Mayor or Exco	<ul style="list-style-type: none"> • Strategic monitoring of progress and effectiveness of the implementation of the IDP Plan. • Review the effectiveness of service delivery strategies used by the Council and inform recommendation on best methods including partnerships for service delivery.
Municipal Manager	<ul style="list-style-type: none"> • Strategic and operational control of the delivery of the IDP Plan. • Use the information and analysis to advise the Council on the best action for the Municipality to take to realise its development objectives.
Senior Management Team	<ul style="list-style-type: none"> • Keep an up to date understanding of implementation. • Understand reasons for problems and blockages • Inform ways of tackling day-to-day and systemic blockages to implementation. • Conduct regular reviews of performance.
Financial Team	<ul style="list-style-type: none"> • Monitors how effectively the financial resources are used to implement the IDP. • Controls the flows of money to maximise its contribution to the implementation.
Programme Managers	<ul style="list-style-type: none"> • Monitors and evaluate the delivery of range of projects or parts of projects to understand how the implementation can best achieve the defined programme objectives.
Sectoral Manager	<ul style="list-style-type: none"> • Understand and assess how his sectoral resources are performing in implementing the IDP plan. • Evaluate/Measure performance in terms of agreed indicators and targets.
Project Manager	<ul style="list-style-type: none"> • Monitor and evaluate the proper allocation of resources to achieve the project delivery in the most efficient way within the defined timeframe.
Consultation Forum	<ul style="list-style-type: none"> • Monitoring and evaluation and review information to provide the opportunity for them and the groupings they represent to assess the extent to which the Municipality is delivering its IDP plan. • Assess better ways of mobilising their “constituencies” to appropriately involve themselves in delivery.
Local Residents	<ul style="list-style-type: none"> • Receive information on the progress in the delivery of the IDP Plan. • Hold Municipalities accountable for their performance against key performance indicators and targets.
National and Provincial Government	<ul style="list-style-type: none"> • Understand the extent to which the Municipality is contributing to meeting National and Provincial development priorities. • How effectively the Municipality is using financial and other resources provided to it by other spheres of government. • Assess the overall state of local government.
Grant Funders	<ul style="list-style-type: none"> • Monitoring and evaluation as to whether their financial contributions are used effectively and appropriately to meet the Municipality’s development objectives and their conditions as funders.

3. PERFORMANCE MANAGEMENT – SYSTEM AND PROCESS

Since the IDP plan is the key implementation programme of the Municipality, the Performance Management System has the IDP as its baseline. The process of the IDP plan has also contributed important parameters to defining the details of the Municipality’s Performance Management framework.

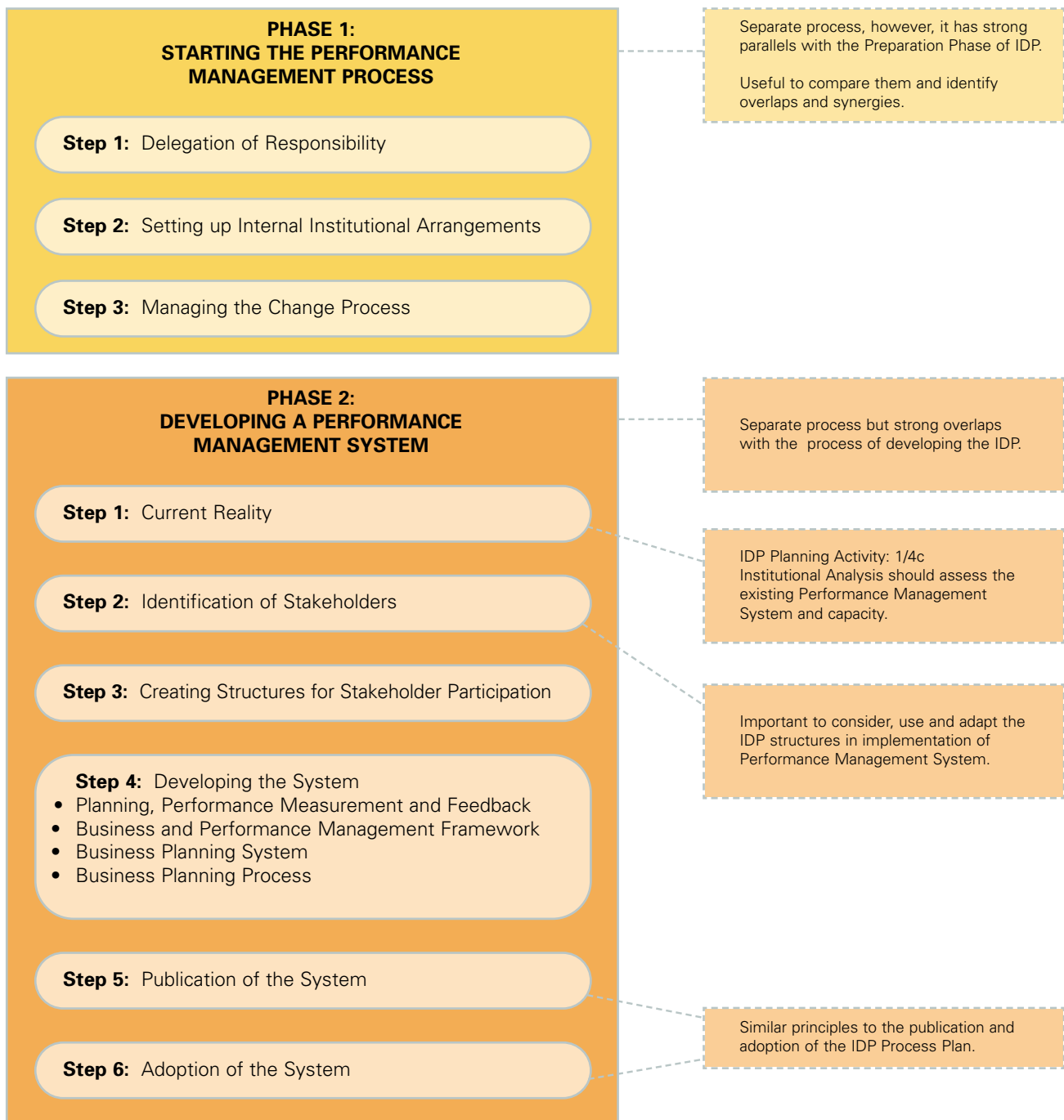
It is the intention of this sub-section to summarise the approach developed by DPLG and show the points of linkage to the IDP and the other sections of Guide 6.

EMPHASIS BOX

It is highly recommended that you read this subsection with **“Performance Management – A Guide for Municipalities”**

This provides the detailed elaboration of the Phases and Steps summarised below.

4. IMPORTANT POINTS OF LINKAGE BETWEEN THE IDP PROCESS AND THE PERFORMANCE MANAGEMENT SYSTEM



**PHASE 3
IMPLEMENTING PERFORMANCE
MANAGEMENT**

Planning for Performance

- Planning
- Priority setting
- Settings objectives

Seamless integration between **IDP Planning Process** and the **Performance Management Process**. IDP outputs define what performance is to be managed.

Priorities are those that are identified in **Phase 1** and refined in **Phases 2 – 4** of the IDP.

Development of objectives for Priority Issues from **Phase 2 – Activity 2/2** and revised through **Phase 2**.

Project Objectives **Phase 3 – Activity 3/6**.

Setting Key Performance Indicators

- What are indicators
- Value of indicators
- Types of indicators
- How to identify indicators
- Incorporating general key performance indicators

National indicators contribute to priority issues and objectives, and achievement is assessed in Performance Management.

Project indicators set in **Phase 3 – Activity 3/6**.

Setting targets

- What are performance targets
- How to set targets

Setting of project targets in Phase 3 – Activity 3/7 but also incorporating target information from activities 3/8 and 3/9.

Developing a Monitoring Framework

Runs parallel with the implementation of IDP.

Potential for IDP Manager to operationally manage this within the *Municipal Manager's office*.

Designing Performance Measurement Framework

- How to do Measurements
- Analysis

Not covered in IDP. Provides examples from a number of different organisations.

Conducting Performance Reviews

- Who conducts reviews?

Deals with a range of different reviews.

Annual Review of IDP (see next sub-section) is significant organisational implementation review. Draws on range of different other reviews and general monitoring and evaluation.

Improving performance

The central purpose of performance management. Provides range of institutional options. Feedback into Institutional Plan of both IDP and annual IDP Reviews.

Reporting on performance

- Who reports to whom?
- Check lists for good reports
- Tracking and managing the reporting process
- Publication of performance reports
- Public feedback mechanisms
- Public hearings on Municipal performance
- Using performance audit mechanisms

IDP Process is the planning although not for employee performance.

Framework and system for tracking performance in implementing IDP.

Organisational performance and employee performance

- Planning
- Implementing and Monitoring
- Review

Review of employee performance important components of the performance management of IDP implementation.

This Performance Management System happens in parallel with implementation, the processes feeding each other and continuously interacting. It provides significant information and analysis to inform the Municipality and relevant stakeholders how well the Municipality is doing.

Importantly it helps the Municipality to assess its developmental priorities and improve its performance.

A specific part of this Performance Management System is **the Annual Review** of the IDP. As it is specifically required by legislation, it is given separate consideration in the next sub-section.

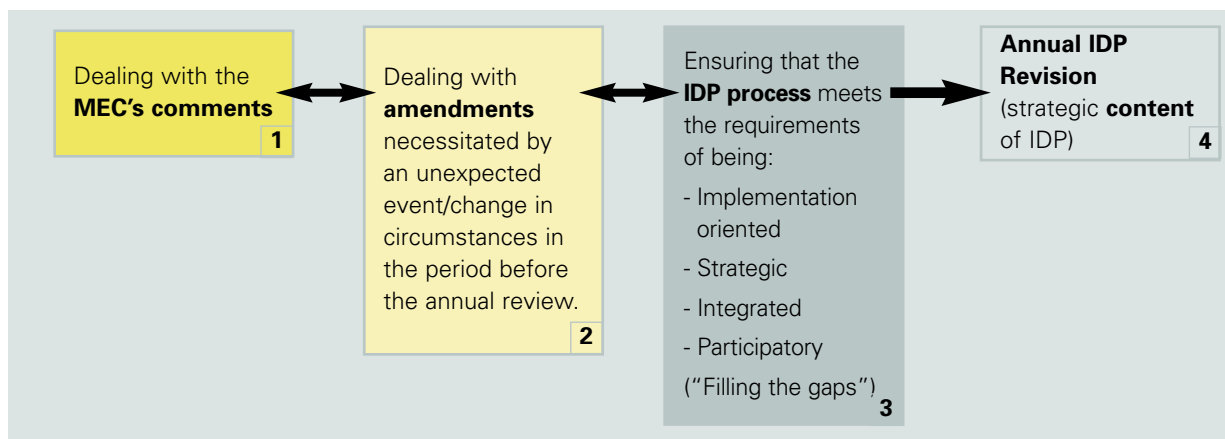
It also helps a Municipality when conducting a performance review. This is primarily a process of analysing and integrating performance information to identify causes (external and internal) for good and bad performance and identify action and processes for improving performance. It involves assessing “what were we doing right”; “what did we do wrong” “are we doing the right things right and better” and thereafter making a judgement on performance.

Importantly, the information generated through conducting the performance review will be fed into the IDP Review Process.

C. THE ANNUAL IDP REVIEW – PROCESS AND CONTENT

1. THE IDP REVIEW IN CONTEXT

In the first IDP review cycle, changes to the IDP process and the IDP may be required from four sources. Schematically this may be summarised into four main areas of intervention



This section of the Guide focuses on the **Annual IDP Revision (4)**, as part of the legal requirements of the MSA. In the first few cycles of the IDP review process, improvements to the **IDP Process (3)** may also be a high priority for most Municipalities.

For the sake of clarity it is important to briefly consider the sources for changes to the IDP process and the IDP:

1 – Comments From The MEC: If the MEC comments on the council-adopted IDP the comments might involve consideration of amendments to the IDP. The MEC’s proposal/s can either be accepted, or be referred to an ad-hoc committee appointed by the MEC if a dispute occurs (in terms of section 33 of the MSA). Should a Municipality commence with the IDP Review Process immediately after receiving comments from the MEC, a Municipality may choose to deal with the MEC’s comments as part of the IDP Review Process.

2 – Amendments In Response to Changing Circumstances: The MSA (section 34) makes provision for the amendment of the IDP to the extent that changes in circumstances require. This means that while changes in circumstances are taken into account as part of the annual review, Municipalities are not prevented from making amendments throughout the year if circumstances require it.

EMPHASIS BOX**Hints for Consideration of Changes**

The decision of whether to amend the IDP only during the annual review or immediately in response to an event or new information may depend on the nature of the event or information. Legislation is not specific about this issue, and the following should only be considered as examples/hints to guide a Municipality's decision.

An immediate amendment may be relevant if the event or new information, for example:

- *has a substantial impact on the nature or understanding or priority issues in the Municipality, that may require adjustments to strategies, projects, programmes (e.g. new information indicates a previously unrecognised potential for a disaster);*
- *is related to changes in the budget/financial plan (e.g. only a third of the expected revenue realised and the budget has to be reviewed); and*
- *presents new opportunities with an immediate effect (e.g. a donor programme requiring a quick response from the Municipality, or allowing the Municipality to speed up implementation).*

Whether as part of the annual IDP review process, or at other intervals during the year, the amendment process must follow the prescription in the Local Government: Municipal Planning and Performance Management Regulations (2001).

INFORMATION BOX**The Local Government: Municipal Planning and Performance Management Regulations, 2001**

These set out details regarding the prescribed process to amend the IDP:

- Only a member or committee of a Municipal council may introduce a proposal for amending the Municipality's integrated development plan in the council.
- A reason for amending the IDP must accompany the proposal to amend the IDP, and the proposal must also be aligned with the district's IDP framework (refer to IDP Guide 2).
- The amendment is adopted via a decision taken by the Municipal council.
- Reasonable notice must be given to the members of the council, and the amendment must also be published for public comments for at least 21 days.
- A District Municipality must consult the local Municipalities in the area and take their comments into account.
- A Local Municipality must consult the district Municipality in its area and take its comments into account.

3 – Improving The IDP Process: Especially after the first round of IDP, many process related issues may not be resolved or may require refinement. It may be necessary to effect institutional, process or content related changes to ensure that the review process incorporates those changes or amendments that are necessary to ensure that the integrated development process is:

- strategic
- implementation orientated
- participatory
- integrated.

This may include examples such as:

- Institutional Preparedness Changes
 - Refining of Terms of Reference of forums and task teams.
 - Reconsidering of the nature of relationships with consultants.

- Process Changes
 - Improving logistics (e.g. venues and catering) in support of the public participation process.
 - Ensuring that all target groups and stakeholders are adequately represented.
 - Organising special events to facilitate improved inter-sectoral and inter-governmental alignment.
- Content Changes
 - The amendment of inappropriate strategies on the basis on new information on causes derived from an improved in-depth analysis of priority issues.
 - Improving the content of project proposals.
 - Reprioritising and reprogramming projects based on improved information regarding the availability of funding.

Such issues should ideally receive attention as soon as possible, to ensure that the annual review process is an improvement on the first round drafting process. The above three sources also form input for consideration in the annual review process:

4 – Annual IDP Review: This annual process is required by section 34 of the **MSA**, and relates to assessing the Municipality’s performance against organisation objectives as well as implementation delivery, and also taking cognisance of new information and changed circumstances.

The IDP is reviewed in the light of this assessment, and any amendments required to be made to the IDP. This is the **formal IDP REVIEW** process described in this Guide.

DEFINITION BOX

Amendment or Review?

Both these terms are used in the MSA and Regulations. In this context, **“review”** means a process whereby the IDP is assessed/evaluated in terms of the Municipality’s performance as well as changed circumstances.

The term **“amendment”** refers to a physical change to the IDP document as a result of the review process, or in response to proposals by the MEC.

2. PURPOSE OF IDP REVIEW

The IDP has to be reviewed annually in order to:

- Ensure its relevance as the Municipality’s strategic plan.
- Inform other components of the Municipal business process including institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant your Municipality must assess implementation performance and the achievement of its targets and strategic objectives. In the light of this assessment the IDP is reviewed to reflect the impact of successes as well as corrective measures to address problems. The IDP is also reviewed in the light of changing internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of IDP.

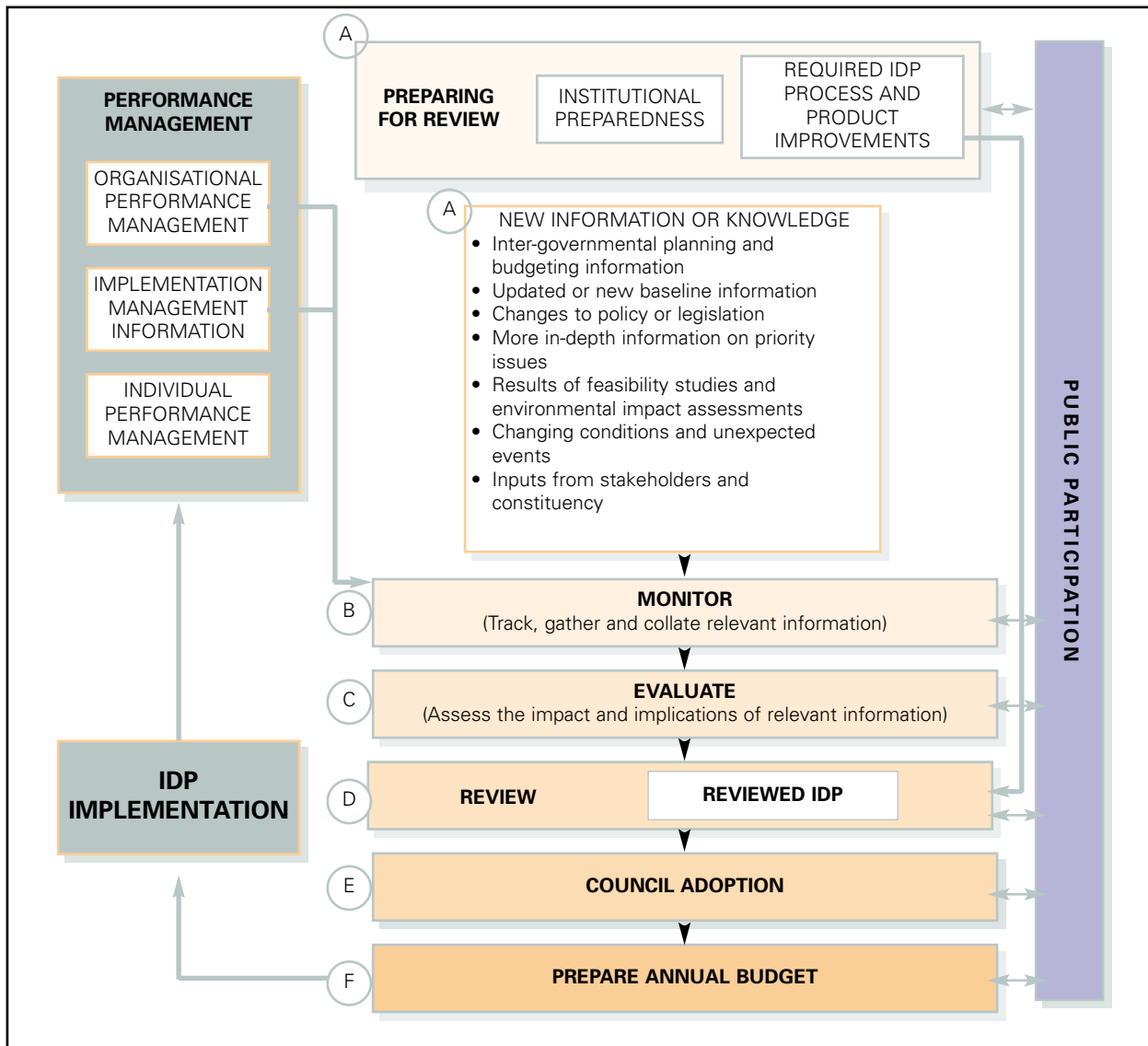
As the Municipality’s strategic plan, the IDP informs Municipal decision-making as well as all the business processes of the Municipality. The annual revision of the IDP must inform the Municipality’s financial and institutional planning and most importantly, the drafting of the annual budget. It must be completed in time to properly inform the latter.

The annually reviewed IDP is a key form of the Municipality’s rolling three year Medium Term Strategic (MTSF) and Expenditure (MTEF) Frameworks required by national and provincial government.

3. IDP REVIEW – PROCESS

This section describes a suggested approach to the IDP Review process. These suggestions are offered as guidelines. You should adapt them to suit local circumstances.

The diagram below summarises the suggested approach to IDP Review:



IDP as a Process – A Process Summary

The process described above represents a continuous cycle of planning, implementation and review. Implementation commences after the Municipal Council adopts the initial IDP.

Throughout the year implementation/performance is monitored, new information becomes available and major unexpected events may occur. Some of this information is used to make immediate changes to planning and implementation.

Relevant inputs are then integrated in the annual review of the IDP.

After adoption of the revised IDP, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated for consideration in the next IDP review. (Refer to Sub Section and **Performance Management – A Guide for Municipalities, DPLG, 2001** for more detail.)

Box A – Preparing for IDP Review

Before the Review process commences, certain **institutional preparations/arrangements** have to be made to ensure that the process will run smoothly:

- designing an action programme for the process indicating main activities, resources and time frames
- assigning roles and responsibilities
- organisational arrangements including the confirming of the IDP Steering Committee and the procedures and mechanisms for public participation. (Refer to Guide 2 Preparing for IDP).

In preparing for the review it is very important to consider any **shortcomings in the original preparation of the IDP process, then to incorporate** improvements in the review. Further it is important to confirm that all potential role-players are aware of what is expected of them and that they buy into the process. (See Activity Sheet P124).

Box B – Monitoring

(What is happening?)

Monitoring in the context of IDP Review refers to the gathering of data and the subsequent organising of data into sets of information about certain actions/events/situations throughout the year.

Three main bodies of information are important as input into the review process.

- **implementation management information**, mainly refers to information that measures progress with the implementation of programmes and projects through a series of indicators such as completion timeframes, use of resources such as money and staff, (refer to Section 4 of this Guide).
- **information about the achievement of objectives set in the IDP** will have to be measured over time. This is done in terms of the indicators that have been set, to determine whether the outcomes strived for have been achieved.
- **new information** may be generated from internal or external sources and reflects changes to the internal or external context of the Municipal area that impacts on the appropriateness of the IDP. It could include information such as:
 - baseline data on demographics,
 - new policy and legislation,
 - budget information from other spheres of government as well as Municipal budget review processes,
 - more or improved in-depth information about the existing situation and priority issues, information about new developments and trends,
 - changes in the existing situation due to unexpected events such as natural disasters,
 - new investment opportunities;
 - the input from stakeholder organisations and constituencies.

This information needs monitoring and recording throughout the year for consideration in the review process. The organising of data and collation of information is the responsibility of the Municipal Manager/IDP Manager who has to put in place and co-ordinate a process or system for this purpose, and designate roles to appropriate persons.

(See Activity Sheet P125).

Box C – Evaluation

(What does the information tell us)

The information gathered through the process of monitoring described above is assessed to understand its relevance and implications to the priority issues, objectives, indicators and targets. Irrelevant and incorrect information should be discarded.

The relevant information is analysed and synthesised for its relevance to the IDP.

The Municipal Manager/IDP Manager assisted by the IDP specialist and relevant sector officials should prepare an initial summary of the relevant information for initial consideration and comments by the IDP Steering Committee.

The comments and recommendations of the IDP Steering Committee should be incorporated in the summary and presented to the IDP Representative Forum for discussion and debate. The IDP Representative Forum should assess the implications/impact of the information for the IDP process and document and agree on the necessary amendments and refinements to the IDP.

It is important to package the relevant information in a way that facilitates/enables/supports discussion by the Representative Forum and decision-making by Council. For example, problems in implementation have to be identified to enable decisions about the improvement of processes, or information about new legislation and trends have to be related to priority issues/objectives/strategies/projects to enable decisions about the continued relevance and appropriateness of these. If objectives are not achieved, causes of this have to be related to the objectives and subsequent strategies/projects/programmes.

(See Activity Sheet P126 – 129).

Box D – Review

(Deciding on and making the relevant changes)

The knowledge generated by the evaluation process now has to be taken into account and dealt with. This is done by assessing the content of the existing IDP and affecting appropriate changes. This may include:

- a refined understanding of the situation around priority issues;
- refined/amended/additional objectives;
- revised or new strategies, including strategies to improve implementation;
- revised or new projects; and
- to reflect all of the above, in revised integrated plans and programmes including a revised Medium Term Expenditure Framework.

Review activities include revision of:

- projects/formulation of new projects by project task teams;
- sector programmes; and
- integrated programmes (e.g. LED Programme/Integrated Spatial Development Framework/financial plans and programmes).

First drafts of the revised projects and programmes are screened by the IDP Steering Committee as well as sector agencies, and presented to the Representative Forum for discussion/input. A joint district level workshop at this stage will be essential to ensure horizontal and vertical alignment between local and district Municipalities. A second presentation of final drafts is desirable after the necessary changes have been made.

Based on these a draft is prepared of revisions to the prepared IDP. These activities are similar to the process of the Integration Phase as described in Guide 3 (p81).

(See Activity Sheet P130).

Box E – Council Adoption of Revised IDP

The revised IDP has to be adopted by the Municipal Council in a way similar to the original IDP. The process is described in the MSA Regulations (see Information Box in Rationale above as well as the Approval Phase of the IDP Process elaborated in Guide 3 (from p102).

(See Activity Sheet P131).

Box F – Prepare and Adopt Annual Budget

The Municipal Systems Act requires the Municipal budget to be informed by the IDP. This means that the next annual Municipal budget should reflect the objectives, strategies, projects and programmes contained in the revised IDP. In turn the financial strategies and the MTEF form important inputs into the IDP Review.

It is important that the timing of the Review process is linked to the **budget review process** of the Municipality.

(See Activity Sheet P132).

EMPHASIS BOX**The IDP Implementation Continues**

During and after the adoption of the revised IDP and the approval of the new annual budget, implementation will continue, and so will the monitoring and evaluation processes leading up to the next IDP Review.

4. IDP REVIEW: ROLES AND RESPONSIBILITIES

As in the case of the drafting of the original IDP, it is important to allocate specific **roles and responsibilities** for IDP Review. The recommended roles and responsibilities are similar to those in the preparation of the IDP. You are encouraged to look at Guide 2 “Preparation” P13 –17 and adapt these for the shorter process of the review.

5. TIME FRAME – GUIDELINES

The total amount of time required for the IDP Review process will differ for different Municipalities.

The quality and shortcomings of the existing IDP and the process to compile it, gaps in information, extent of changes, local political dynamics, and Municipal performance during the year are all possible factors that can have an impact on the time required to review the IDP.

For this reason, a suggested time frame will not be put forward in this Guide. Instead, Municipalities will be made aware of the following important process milestones:

- In terms of the Municipal Systems Act the national Minister will state in regulations a set date for the approval and formal submission of the annual IDP review. All Municipalities are expected to meet such regulated completion dates.
- Using this date as the deadline, Municipalities must use the guidelines to plan their own time schedule for the review. In this respect it will be important for Municipalities to consider the time required to adopt the amended IDP, including requirements for public comments and procedures for submitting proposed changes to the Municipal Council as set out in the Regulations (see information box in “IDP in Context”).
- Since the IDP must inform the Municipal budget, it will be imperative to have the revised IDP aligned with budget preparation so that it can fully inform the new Municipal budget both capital and operational. With the new **Municipal Financial Management Bill 2000** requires a Municipality to table a draft budget by 3 months before the end of the financial year (i.e. by the end of February). As the IDP should significantly inform this, the timing of the review should be co-ordinated closely with the structuring of the annual budgeting process that starts in July each year.
- The IDP review process should also be programmed to inform the three year perspectives on National and Provincial financial planning.

6. IDP REVIEW – ACTIVITY STEPS

This section contains 9 “activity sheets” that describe the main activities and outputs of the review process in more detail under the following topics:

- **Purpose** (Why?)
- **Process** (How to do it?)
- **Inputs** (What information should be considered?)
- **Key Outputs** (Results)
- **Links with other Guides**

REVIEW ACTIVITY: A	PREPARING FOR REVIEW
Purpose: (Why?)	<p>To ensure that all the necessary mechanisms and procedures are put in place to accomplish a successful review process including close linkage with the annual Municipal budgeting process.</p>
Process: Minimum Requirements (What to do?)	<p>The Municipal Systems Act (sect 29) requires that a process be set out in writing and be adopted by the Municipal Council to guide, among other aspects, the IDP review process.</p> <p><i>(This section of the MSA refers to the Process Plan that had to be prepared for the IDP process, which had to include the process for IDP Review).</i></p>
Process Hints (How to do it?)	<p>IDP Guide 2 provides detailed process hints on the preparation of a process plan, structured around every key output listed below. These outputs should have been in place for the drafting of the IDP. Although some refinement and amendments to these will be necessary, they could be used as a basis for preparing for IDP Review.</p> <p>Ensure that there is a close linkage between the planning of the Review Process and that of the annual municipal budget process.</p>
Inputs: (What information should be considered?)	<ul style="list-style-type: none"> • The Process Plan and Framework that had to be prepared before the drafting of the IDP. • Feedback on the process that has subsequently been followed, especially information on where problems occurred/gaps that were identified. • The institutional and financial capacity of the Municipality and public participation structures (useful information when assigning roles and responsibilities).
Key Outputs: (Results?)	<p>A written plan indicating:</p> <p>Roles and Responsibilities: a list of the required roles and responsibilities, also indicating responsible persons/agencies, and terms of reference describing the roles and responsibilities in detail.</p> <p>Organisational Arrangements: a description of the organisational arrangements to be established, including terms of reference, selection criteria, list of agreed representatives, code of conduct.</p> <p>Mechanisms & Procedures for Public Participation, including organisational arrangements, a communication strategy, etc.</p> <p>Action Programme: Activities, responsible persons, time frames, resources.</p> <p>Alignment Mechanisms and Procedures, including responsible persons, specific activities/events, and conflict resolution procedures.</p> <p>Binding Legislation and Planning Requirements at provincial/national level: list.</p> <p>Budget, per activity and aggregated by category, e.g. consultancy fees, printing costs, etc.</p>
Links with other Guides	<ul style="list-style-type: none"> • Guide 2, covering in detail the process of preparing for the IDP Process, also relevant in preparing for IDP Review. • Guide 4 (Toolbox) for guidance on drafting terms of reference.

REVIEW ACTIVITY: B	MONITOR AND COLLATE IMPLEMENTATION MANAGEMENT INFORMATION, INFORMATION ON THE ACHIEVEMENT OF ORGANISATIONAL OBJECTIVES AND NEW INFORMATION THAT MAY HAVE A BEARING ON THE IDP
Purpose: <i>(Why?)</i>	<ul style="list-style-type: none"> • To gather, collate and manage relevant information that should inform the annual IDP Review process with a view to ensure the improvement and relevance of the Municipal IDP. • Information about the inputs into and progress with implementation are at the heart of effective review as to how well the Municipality is doing in using its resources to deliver its developmental objectives. • New information about changing circumstances also needs consideration in order to measure Municipal performance.
Process: Minimum Requirements <i>(What to do?)</i>	<ul style="list-style-type: none"> • Key information from all the implementation projects about inputs, timing of delivery and the outputs integrated into a single information system that permits its use in different forms. • Key information about changes in circumstances and new information compiled into a single body of information, related to the priority issues, objectives, strategies, programmes and plans affected by the information.
Process Hints <i>(How to do it?)</i>	<ul style="list-style-type: none"> • Organise the information collection on implementation at the level of projects. • Ensure that the information covers inputs, the process timing and the outputs. • Link the information gathered to the requirements of the indicators. • Refine and filter the information. • Try to work on the basis of single point of information input to multi points of use. • Incorporate other relevant baseline and other information that becomes available during the course of implementation.
Inputs: <i>(What information should be considered?)</i>	<p>Implementation information:</p> <ul style="list-style-type: none"> • Inputs: Human, financial, material • Outputs: Number and quality • Process: Timing against programme <p>New information/changed circumstances:</p> <ul style="list-style-type: none"> • Information related to priority issues and development objectives
Key Outputs: <i>(Results?)</i>	<ul style="list-style-type: none"> • Integrated management information system that provides the information on the implementation programme and any problems or blockages in the implementation of projects, programmes and the Municipal plan. • New information and information about changed circumstances linked to the priority issues, objectives and strategies affected by it.
Links with other Guides	<p>IDP Guide 3 – “Analysis Phase” for an indication of different levels of information that may be relevant (e.g. information about priority issues, Municipality-wide trends and development dimensions, information from stakeholder groups).</p> <p>IDP “Guide 4 – Section B”: Dealing with information for tools/techniques.</p> <p>IDP Guide 6: Section 3 – Financial Management System.</p> <p>Section 5 – Project Management.</p>

REVIEW ACTIVITY: C1	EVALUATE THE IMPLICATIONS OF INPUT FROM THE PERFORMANCE MANAGEMENT SYSTEM (IMPLEMENTATION MANAGEMENT INFORMATION/INDICATORS)
Purpose: <i>(Why?)</i>	The Performance Management process will provide analysed information that identifies problems, blockages as well as pointers to positive development. Where this impacts on the IDP plans for the following year it must be an input into the review.
Process: Minimum Requirements <i>(What to do?)</i>	Ensure that the relevant analysis coming from different levels in the organisation and/or any decisions taken, is integrated into the review either through written documentation or verbal inputs.
Process Hints <i>(How to do it?)</i>	<ul style="list-style-type: none"> • From the beginning of implementation to have identified the Manager for the review. • Ensure that this person manages the collation of relevant information during the year from the project to programme forums. • Incorporate specific events e.g. regular agenda items etc to ensure that the information flows to review.
Inputs: <i>(What information should be considered?)</i>	Information/Evaluation and analysis that has had or will have an impact on the IDP Plan.
Key Outputs: <i>(Results?)</i>	Written and verbal inputs into the review that focus on changes to the IDP Plan.
Links with other Guides	Performance Management – A Guide for Municipalities, DPLG, 2001.

REVIEW ACTIVITY: C2	EVALUATE THE RELEVANCE AND IMPACT OF NEW INFORMATION/ UNEXPECTED EVENTS
Purpose: <i>(Why?)</i>	It should be determined whether the new information/unexpected events should be considered when reviewing the IDP, and what are its likely impact on the IDP. The nature and extent of changing circumstances that are to be addressed by the IDP need determining, some of the information/assumptions that IDP was based on may have to be challenged.
Process: Minimum Requirements <i>(What to do?)</i>	All new information/major unexpected events have to be evaluated in terms of their relevance, to serve as an input into the IDP review process. It also has to be evaluated to determine what its impact on the IDP would be (e.g. changes that may be required as a result).
Process Hints <i>(How to do it?)</i>	<ul style="list-style-type: none"> • Organise new information/information about events according to themes (e.g. group information that has relevance on a specific priority issue together) to facilitate easier assessment. • Assess the information/event for relevance using agreed criteria/questions such as: <ul style="list-style-type: none"> – Does this information or event relate to a priority issue, or help you understand your priority issues better/differently? – Does this information change your baseline for decisions (e.g. new census figures show you have double the population you estimated)? • Assess the impact of the information/event by relating it to the IDP, by asking questions such as: <ul style="list-style-type: none"> – Do you need to reconsider your objectives based on this information/as a result of this event? – Are your strategies still relevant based on this information? – Are your strategies still appropriate to deal with the situation after this event occurred? – To what extent would you have to amend objectives/strategies/projects/ programmes to address this information/event?
Inputs: <i>(What information should be considered?)</i>	The new information, from internal or external sources, that has been collated as a result from the monitoring process (see Review Activity Sheet B); details about unexpected events collated during the monitoring process.
Key Outputs: <i>(Results?)</i>	A summary document reflecting information and events that are taken into account in the IDP review, relating the information/events to the IDP (e.g. indicating which priority issues/objectives/strategies/projects/programmes are likely to be affected).
Links with other Guides	IDP Guide 3 – “Analysis Phase” for an indication of different levels of information that may be relevant (e.g. information about priority issues, Municipal-wide trends and development dimensions, information from stakeholder groups). IDP “Guide 4 – Section B”: Dealing with information for tools/techniques.

REVIEW ACTIVITY: C3	EVALUATE THE ACHIEVEMENT OF OBJECTIVES
Purpose: <i>(Why?)</i>	Over time, the objectives set in the IDP should be achieved to ensure that the priority issues are adequately addressed.
Process: Minimum Requirements <i>(What to do?)</i>	The achievement of the objectives have to be assessed in terms of the quantitative and qualitative content of the objectives, related to the time period for which the objectives were set.
Process Hints <i>(How to do it?)</i>	<ul style="list-style-type: none"> • Identify the quantitative (e.g. number of houses) and if relevant qualitative aspects (e.g. perceptions) of each objective. • Scrutinise implementation management information (especially targets and indicators) and new information and assign a value to the achievement of the objectives. • In most cases, this information will have to be related to the time frame set in the objectives to assess if delivery is still on track to achieve the objective in the envisaged time frame.
Inputs: <i>(What information should be considered?)</i>	Implementation management information and new information.
Key Outputs: <i>(Results?)</i>	A report on the achievement of objectives, in terms of quantity, quality and time frames.
Links with other Guides	IDP Guide 3 – “Strategy Phase” for a reminder of how objectives were formulated and what elements a properly formulated objective should contain.

REVIEW ACTIVITY: C4	EVALUATE THE IMPACT OF THE INTER-GOVERNMENTAL AND MUNICIPAL ANNUAL BUDGET REVIEW/ADJUSTMENT PROCESS
Purpose: <i>(Why?)</i>	To ensure that any relevant information on changes to the financing from other spheres of government, through the Municipality itself and other sources, are properly factored into the details of the IDP for the following year.
Process: Minimum Requirements <i>(What to do?)</i>	Ensure that the Municipal MTEF, the information about allocations from other spheres of government are factored into any changes on the IDP Plan.
Process Hints <i>(How to do it?)</i>	<ul style="list-style-type: none"> • Close co-ordination between the annual budget review process and the IDP Review. • Joint pre planning of these 2 processes with shared key output deadlines. • Consider implications of any changes in national and provincial government priorities for financing when reviewing projects for next year. • Review the financial status of all projects receiving money from other spheres of government to re-establish feasibility and priority.
Inputs: <i>(What information should be considered?)</i>	<ul style="list-style-type: none"> • The Municipal Draft Budgeting – operational and capital. • The Municipalities MTEF. • The National and Provincial government preliminary financial allocations.
Key Outputs: <i>(Results?)</i>	IDP prioritise plan of projects for implementation that is properly aligned with likely financing.
Links with other Guides	IDP Guide 6: Section 3 Financial Management and Implementation of IDP – Sub-sections on Links between IDP and Municipal Budgeting and the Other Spheres of Government.

REVIEW ACTIVITY: D	USE THE INSIGHTS GAINED THROUGH ACTIVITIES A TO C TO REVISE AND REDRAFT RELEVANT SECTIONS OF THE IDP DOCUMENT
Purpose: <i>(Why?)</i>	<ul style="list-style-type: none"> The IDP document has to be amended to reflect the implications of changing circumstances, new information, stakeholder input, input from the performance management system, etc. to ensure that the Municipality's strategic plan remain relevant and will address priority issues. Other business processes: It is a legal requirement that Municipality submit a 3 year MTEF annually. Reprioritising of the IDP must be reflected in this if to properly inform government of financial requirements.
Process: Minimum Requirements <i>(What to do?)</i>	<p>A systematic process has to be followed whereby every aspect of the IDP is amended to reflect the input gained from the previous activities.</p>
Process Hints <i>(How to do it?)</i>	<p>Systematically amend the IDP to reflect insights gained:</p> <ul style="list-style-type: none"> Update the description of the existing situation and priority issues. Refine vision and objective where appropriate. Refine/amend/add strategies. Assess, amend or add projects to implement amended/new strategies. Use the Performance Management information to identify more complicated and systemic blockages in implementation, define action-based solutions. Incorporate the above amendments in the integrated plans and programmes. <p>Ensure link with MTEF:</p> <ul style="list-style-type: none"> Link closely with financial sections preparation of MTEF. Use MTEF guidelines from other sphere of government in Review of IDP. <p>It is proposed that the same organisational arrangements that were put in place for the drafting of the IDP are used, e.g. project task teams to revise projects.</p>
Inputs: <i>(What information should be considered?)</i>	<ul style="list-style-type: none"> The insights gained from Review Activities 2 and 3. Project management information, aggregated programme information and special diagnostic studies. Changed financial circumstances of Municipality, draft National and Provincial government allocations to Municipality, as well as any changed development priorities with linked funding from national and provincial government.
Key Outputs: <i>(Results?)</i>	<ul style="list-style-type: none"> The first draft of the revised IDP. 3 year MTEF that reflects any changes to the IDP.
Links with other Guides	<p>IDP Guide 3: Methodology may provide some useful reminders and process hints that could be adapted to suit the review process.</p> <p>IDP Guide 6: Section 3 – Financial Management System.</p> <p>IDP Guide 6: Section 1 – Organisational re-orientating.</p> <p>IDP Guide 6: Section 5 – Project Management Process.</p>

REVIEW ACTIVITY: E	ADOPT THE REVISED IDP
Purpose: <i>(Why?)</i>	Once the IDP has been reviewed, the revised document has to be adopted by the Municipal Council to become its new strategic Municipal Plan, which sets the objectives, strategies and implementation programmes to fulfil its developmental mandate.
Process: Minimum Requirements <i>(What to do?)</i>	The minimum requirements in terms of the MSA Regulations (2001) are: <ul style="list-style-type: none"> • A member or committee of a Municipal Council introduces a proposal for amending the Municipality's IDP, accompanied by the reason/s for the proposal, which must also be aligned with the IDP Framework. • Reasonable notice must be given to the members of the council, and the amendment must also be published for public comments for at least 21 days. • A District Municipality must consult the Local Municipalities in the area, a Local Municipality must consult the District Municipality in its area, and take their comments into account. • The amendment is adopted via a decision taken by the Municipal Council.
Process Hints <i>(How to do it?)</i>	Once the draft revised IDP has been prepared: <ul style="list-style-type: none"> • Opportunity has to be provided for comment from the public and national/provincial departments. • A district level workshop is held to achieve horizontal and vertical alignment between the District and Local Municipalities. • Comments are incorporated/attended to. • The revised IDP is submitted to the Municipal Council (refer to minimum requirements above), and adopted by the Council. • It is again recommended that a district level summary of the revised local IDP's be prepared to facilitate communication.
Inputs: <i>(What information should be considered?)</i>	Draft revised IDP.
Key Outputs: <i>(Results?)</i>	Adopted revised IDP.
Links with other Guides	Guide 3 – “Phase 5: Approval” (P102) for more detailed process hints.

REVIEW ACTIVITY: F	REVISE THE ANNUAL BUDGET
Purpose: <i>(Why?)</i>	The implementation of the revised IDP will be difficult to implement if it is not properly aligned with the budget allocation.
Process: Minimum Requirements <i>(What to do?)</i>	Budget to reflect and fully support the implementation of the priorities of the reviewed IDP Plan. This is a requirement of the MSA.
Process Hints <i>(How to do it?)</i>	<p>The annual budget review has to be treated as a parallel process to the IDP Review with a continuous flow of information between the two processes, and not as a separate step after the adoption of the revised IDP.</p> <ul style="list-style-type: none"> • Alignment of timing and inputs between the 2 processes of review of IDP and the budget. • Consideration of spending and commitments from programme for existing year and required for next year. • Linkage of this with the financial resources available for the next year. • Re-prioritising and scheduling of projects on basis of budgeting process. • Alignment of both operational and capital budgets.
Inputs: <i>(What information should be considered?)</i>	<ul style="list-style-type: none"> • Spending of the existing financial year. • Commitment on existing projects. • Roll over on existing projects. • Revised Financing projections for future years (MTEF) Project. • Revised prioritised projects and costings.
Key Outputs: <i>(Results?)</i>	Budget that is fully aligned with reviewed IDP.
Links with other Guides	<p>IDP Guide 3: Phase 3 – Project Plans Phase 4 – Integration</p> <p>IDP Guide 6: Section 3 – Financial Management Section 5 – Project Management Process</p>

REFLECTION BOX

Both the Performance Management and the IDP Review are tools to help the Municipality to assess its implementation. This is to check whether it is achieving its developmental objectives and then to make adjustments and revisions to its plans and implementation so that the efficiency and impact of its delivery is improved.

The time and energy expended on them is finally measured against the positive improvement they make to the actual implementation of the Municipality. They are not key objectives in themselves.

Always review performance and IDP's with the important objective of improving your Municipality's capacity to deliver the most efficiently to those it is intended to serve.